

POST 2006 INITIATIVE

PROGRESS REPORT

WORKING GROUP: Energy Assistance

DATE: 6/11/04

LOCATION: Springfield - Ameren, with videoconference to Chicago – Lt. Governor's office & phone conference participation for two recovering/ill members.

I ATTENDEES:

Representatives of ICC, IEA, Ameren, Commonwealth Edison, Nicor, Peoples, Illinois Power, Mt. Carmel, Mid American Energy, Community Energy Cooperative, Cook County States Attorney, IL Attorney General, IL DCEO, IL Public Aid Giordano/Trizac, IL Community Action Assn, Low Income Advocacy Project, Lt. Gov office, Constellation New Energy & IL Municipal Electric Agency attended either in person, by video conference or monitoring by phone. A complete log is available from Conveners if desired.

II a ISSUES DISCUSSED FROM FINAL ISSUES LIST

Issue 90 – How should state energy assistance programs be provided for low-income customers who cannot afford to pay just and reasonable rates?

- How do we define “low-income customer”? After discussion that included reference to the history of the statutory definition of persons eligible for LIHEAP and weatherization assistance, it was the consensus of the working group that for purposes of state energy assistance programs in Illinois the definition of a low-income customer should be the current statutory definition – households whose family income is less than 150% of federal poverty level guidelines for those similarly situated.
- “How do we differentiate between those customers who ‘cannot afford to pay just and reasonable rates’ and those who can pay but choose not to do so”? The working group engaged in a lengthy discussion that included references to the need to re-visit Administrative Code Part 280 to make sure that the credit, collection and other rules contained therein would be applicable and effective in the post 2006 energy environment. Among the individual topics discussed were the so-called “household rule” that could allow more leeway to distribution utilities in terms of connecting service to households that already had an overall record of payment problems, and the applicability of current rules to alternative retail electricity suppliers.
- “Should a state energy assistance program be structured to provide extra assistance to low-income customers determined to be most in need of help?” Contrast was made between such a philosophy and the current program structure that essentially provides the same amount of assistance to all participants. Several members of the working group argued for a differentiation that would “target resources to the poorest of the poor”, saying that energy affordability was an especially critical issue for persons at the low end of the poverty level spectrum. Reference was made to the percentage-of-income plan concept that was the subject of one of the background presentations at the last meeting of the working group. Included in that plan was an energy conservation curriculum element that would be required of households participating in the PIP.
- “Should a state energy assistance program give priority in its processes or its funding to certain recognizable groups of customers, i.e. senior citizens, disabled citizens, those below 50% of federal poverty levels”? During the discussion it was reported that the current program's priority application period for seniors, disabled and persons seeking emergency reconnection assistance has not caused a problem in terms of unfair distribution of energy

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assistance funds to those groups. It was also reported that public aid clients are automatically sent an energy assistance application and urged to sign up for LIHEAP.

- “How can low-income customers be incentivized to better manage their utility bills and reduce the likelihood of service disconnection?” Advocates for the PIP concept presented at the last meeting mentioned that their design included a provision that would lead to a 10% reduction in a participant’s arrearage for three consecutive on-time regular payments under the program. Also, reference was made to an earlier state PIP program where clients were taken out of the program if they missed 1 or 2 regular payments. Another idea mentioned was forgiveness of late charges in exchange for regular payments. There was also discussion regarding the fairness of using a “typical” utility bill in calculating the PIP benefit rather than individualizing said benefits to the particular customer situation. Reference was also made to a previous utility program that attempted to measure “excess usage” and that proved to be very labor intensive for the companies.

II b OTHER ISSUES DISCUSSED

- Anti-trust guidelines in effect for the meeting were referenced.
- Again asked for any proposed additions to Final Issues list – none have been submitted.
- Discussed coordination of issues between workgroups via weekly convener meetings.
- Reviewed dates for remaining meetings, all on Fridays in the ICC main hearing room in Chicago, from 11 am – 1 pm to allow train travel, except for the 7/23 meeting:
 - June 25 – Chicago
 - July 9 – Chicago
 - July 23 – Bloomington – Nicor – still tentative location and time – could be Springfield
 - August 6 – Chicago

III PRESENTERS - None

IV PRESENTATION SUMMARIES - None

V CONCLUSIONS REACHED

ISSUE: Definition of Low-Income Customer noted in first bullet point above.

VI COMMENTS - None

VII TOPICS FOR NEXT MEETING

Continue discussion on Issue 90 including “What administrative changes or modifications can be made to the state’s energy assistance program to streamline and make more effective the program’s grant administration and inter-agency communications?” and “What efforts, if any, should be made to have the state’s energy assistance program serve increased numbers of eligible households?” & start on 91 – “Is the current surcharge level adequate for energy assistance?”

VIII TIME AND LOCATION OF NEXT MEETING

Friday, June 25 at ICC Chicago office from 11:00 am – 1:00 pm, no video or phone conferencing.

Jim Monk/Jon Carls, Co-Conveners